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CHAIRMAN MC RAE

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DELAWARE P.S.C.

WIND FARMS - BOTH SEA AND LAND WORK

YOU OWE IT TO THE TAXPAYERS TO TRY.

OIL/COAL SYSTEMS ARE NOT CLEAN OR AFFORDABLE

OUR FUTURE IS BLOWING IN THE WIND.

Thank you

Pa. county approves wind farm

Wind turbines will likely be coming to Lycoming County, Pa. County commissioners unanimously approved an amendment Thursday to the zoning ordinance. The action could open the door for Vermont-based Catamount Energy Co. to construct 47 wind turbines along a seven-mile stretch of Laurel Hill Ridge in McIntyre and Jackson townships.

Michael W. Gilsenan, Sr.



Michael W. Gilsenan, Sr.
30891 Sandy Ridge Dr.
Lewes DE 19958-5568

Nickerson Karen J (DOS)

From: Chris Divis [cbdivis@verizon.net]
Sent: Sunday, November 18, 2007 12:01 AM
To: Nickerson Karen J (DOS)
Subject: Bluewater Wind Farm Proposal Comments
Attachments: Bluewater Wind.pdf

Dear Ms. McRae:

I have attached a file to this email outlining my views regarding the Bluewater Wind proposal. I believe this particular project is a very bad deal for Delaware ratepayers, and the attached file explains the reasons why. I believe the PSC reached the correct conclusion in deciding not to recommend this project. Renewable energy is important but should not be automatically endorsed without due consideration of its cost. I appreciate you taking the time to consider my views.

Regards,

Chris Divis
McDaniel Crest
Wilmington, DE

11/21/2007

Dear Ms. McRae:

I am writing to you to express some of the concerns I have regarding the off-shore wind farm proposal submitted by Bluewater Wind, LLC. I am a resident of the State of Delaware and am a Delmarva Power Standard Offer Service customer. In the interest of full disclosure, I am also an electrical engineer employed by Pepco Holdings, Inc. (PHI), the parent company of Delmarva Power. I want to be clear that, although I am an employee of PHI, these opinions are mine and are based upon my knowledge of the electric industry, and that I am submitting these comments on my own. Please do not disregard these opinions just because I work for PHI. Please keep in mind that I pay the same rates as all other customers, and that I am just as concerned with significant rate increases as anyone else. I don't want to pay more than is truly necessary for electricity, so I am against any plan that will likely raise rates significantly and unnecessarily for me and all other Delmarva Power customers in Delaware. Significant increases would further exacerbate this state's present economic situation and make it a less attractive place to live and do business, so it is critical that the wind farm issue be resolved properly and with due diligence.

My main objections to the present plan are:

1. The vast majority of the costs and the risks do not lie with Bluewater Wind. Rather, they lie with a small portion of the electric customers in Delaware. This project's projected 25-year total cost of over \$25 billion would be paid by only Delmarva Power's Standard Offer Service (SOS) customers residing in Delaware. Delmarva Power customers living in Maryland, Delmarva Power Delaware non-SOS customers, Delaware Electric Co-Op customers, and various municipal customers as well as large commercial and industrial customers would not have to pay any of this cost. This is inherently unfair, as it burdens only a small group with a large cost.
2. Expanding upon Point #1, if the wind farm increases SOS rates significantly (which every report has said it will), the majority of the SOS customers will switch to an alternate supplier, leaving even fewer ratepayers to pay for the wind farm. Most of these remaining SOS customers will be those that cannot switch to a provider due to having low incomes or failure to pass a credit check. It seems that the poorest, most vulnerable people in Delaware will be stuck paying substantially higher electric bills while wealthier residents and businesses can obtain better rates elsewhere. Again, this is tremendously unfair and wrong.
3. Bluewater Wind has not built a single off shore wind farm, ever. There isn't even a permitting process in place yet to do this. Plus, the farm will not even be in Delaware's waters, so technically, this is not even an in-state plant as required by the Legislature. This technology is not proven. This is a fact backed up by a recent edition of the IEEE's Power Engineering Society technical journal. That publication clearly states that this is unproven technology, still classified as experimental even by a large group of engineers from multiple countries. Building this would be a huge gamble to take with ratepayer money. New York and Texas so far have also rejected off shore wind in favor of on shore wind. Texas, by the way, has more on shore wind than any other state, do they are not "anti-wind".
4. Since this technology is untested, I have serious concerns about its lifespan. From experience with our substations located in beach communities, I know that salt spray from the ocean is a serious problem. Corrosion is much faster in these conditions than it is on land. I would be truly surprised if these turbines would even last for the duration of the 25-year contract before needing to be replaced. The ocean is one of the harshest environments in existence for mechanical, metal equipment. If the turbines need replacement in 15 years, will Bluewater absorb that cost, or will ratepayers be saddled with billions more dollars in rate increases? This is an important issue to address.
5. In a deregulated market, I find it interesting that Delmarva Power can be forced into a contract with a single company for 25 years. That definitely does not represent deregulation. Either Delaware is deregulated or it's not. It cannot be both at the same time.
6. Building this wind farm will not improve air quality for anyone in Delaware. The Indian River coal plant operated by NRG will continue to operate and sell power onto the grid. The wind farm will NOT make NRG's existing coal facilities go away. They will run as long as it is profitable to do so. Nor will the wind farm guarantee that any other coal or gas plant will shut down. Obviously it will also not reduce the impact of all the pollution generated by chemical plants, refineries, power plants out west,

and cars and trucks on I-95. Delaware's pollution will NOT be reduced by building this plant. This is not to say that wind isn't a good option if the price is reasonable. Just understand that Delaware will still be just as polluted as it is now if this plant is built.

7. Bluewater wind's contract states that Delmarva Power must buy 300 MW from Bluewater if it is available at any given time. However, the plant will not always produce 300 MW. Its output will be variable and largely unpredictable. If Delmarva Power is planning to buy 300 MW for its customers at any given time, and then all of a sudden only 200 MW are available, Delmarva Power now has no choice but to buy the remaining 100 MW on the spot market at the last minute at very high prices. This will cause further rate increases for the SOS customers. So this wind farm clearly will not "stabilize" electricity prices in Delaware as some claim it will. To me, it very well could do the opposite.
8. Finally, if the Legislature wants Delmarva Power to have a contract with a renewable energy provider located in Delaware, a new bidding process should be conducted. Several renewable energy providers should be allowed to bid against one another, and the one with the best terms would win the bid. This could include on shore wind, solar, biomass, etc. Delmarva Power should not be forced into only considering off shore wind. Additionally, Delmarva Power (by law) is allowed to procure its renewable energy supply from power producers located anywhere on the grid, not just in Delaware. Studies have shown that this is the most economic way (by far) to obtain renewable energy rather than building it all right here. The net objective of reducing fossil fuel consumption by Delmarva Power's customers would be met just as well if Delmarva Power buys renewable energy off the grid. I can't stress enough that the renewable plants do NOT have to be located in Delaware to achieve the 20% renewable requirement by 2019.

I am sorry this was such a long letter, but I really wanted to make sure my opinions are heard and given serious thought. Renewable energy is great, and I fully support it. However, I cannot support the present proposal due to all the reasons above. Delaware's future and the future of its residents and businesses are too important to risk on a plan like this. Please give this project the due diligence it deserves, and please try not to let emotion and simple but popular hatred of Delmarva Power to win this debate. Logic and reason should be used if one wants the best possible outcome for the state. I trust you will make a well-reasoned and knowledgeable decision.

Thank you for your time.

Sincerely,

Chris B. Divis